

TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE



**CORRECTED
FISCAL MEMORANDUM**

SB 1502 – HB 2426

April 9, 2018

SUMMARY OF ORIGINAL BILL: Requires driver's education courses to include an area of instruction regarding the effects on driving abilities while talking or texting on a mobile phone.

FISCAL IMPACT OF ORIGINAL BILL:

NOT SIGNIFICANT

CORRECTED SUMMARY OF AMENDMENT (016771): Deletes all language after the enacting clause. Decreases from \$100,000,000 to \$85,000,000 the required balance for the General Shortfall Reserve Subaccount (Subaccount). Eliminates the additional \$10,000,000 that must be held in the Subaccount.

FISCAL IMPACT OF BILL WITH PROPOSED AMENDMENT:

On April 9, 2017, a fiscal memorandum was issued for the bill as amended with the following estimated impact:

*Increase State Revenue – \$15,000,000/Tennessee Promise Scholarship
Special Reserve Account*

Decrease State Revenue – \$15,000,000/General Shortfall Reserve Subaccount

Other Fiscal Impact – Reduced availability of lottery proceeds in shortfall years for other programs such as early post-secondary opportunities funded from lottery proceeds.

The fiscal impact was determined to be in error due to a misinterpretation of the amendment. As a result, the fiscal impact for the bill as amended has been corrected as follows:

SB 1502 – HB 2426 (CORRECTED)

(CORRECTED)

**Increase State Revenue – \$25,000,000/Tennessee Promise Scholarship
Special Reserve Account**

Decrease State Revenue – \$25,000,000/General Shortfall Reserve Subaccount

Other Fiscal Impact – Reduced availability of lottery proceeds in shortfall years for other programs such as early post-secondary opportunities funded from lottery proceeds.

Corrected assumptions for the bill as amended:

- This legislation lowers the required amount to be held in the in the General Shortfall Reserve Subaccount of the Lottery for Education Account from \$100,000,000 to \$85,000,000, and eliminates the additional requirement to maintain an additional \$10,000,000 in the account above the \$100,000,000 threshold.
- This will result in a transfer of these funds to the Tennessee Promise Scholarship Special Reserve Account. Therefore, the recurring increase in state revenue to Tennessee Promise Scholarship Special Reserve Account is estimated to be \$25,000,000; and a corresponding recurring decrease in state revenue to the General Shortfall Reserve Subaccount is estimated to be \$25,000,000.
- Decreasing the size of the General Shortfall Reserve Subaccount could mean less funding, in a shortfall year, for early postsecondary opportunities for high school students such as dual enrollment; however, the extent of any reduction in available funding cannot be determined.
- No significant impact to local government operations.

CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.

A handwritten signature in blue ink that reads "Krista M. Lee" followed by the letters "RNC" in a smaller, less legible script.

Krista M. Lee, Executive Director

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